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28 January 1964

MEMORANDUM FOR: Legislative Counsel

SUBJECT: Background Data on CIA Estimates of Soviet
Gold Position

1. The methodology used in estimating Soviet gold reserves, sales and production is described in Attachment I. It may be of help to you in your talk with Congressman Mahon to know how these estimates were made. You will note that much of it is based on

2. It should be of interest to Congressman Mahon to know that Secretary Dillon requested on 4 October 1963 that a member of his staff be briefed regarding the methodology used for our estimates of Soviet gold sales and reserves. Mr. Page Nelson was cleared for this purpose and was briefed on 14 October. Mr. Nelson was satisfied with our detailed briefing and since then the Treasury has used our figures.

3. We have also requested that the US Bureau of Mines gold specialist, Mr. Julius Ryan, be cleared for a similar briefing. Much of the material on which our estimates are based has not been available to the Bureau of Mines analysts up to this time.

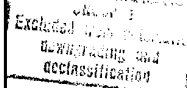
5. Attachment II, an Economic Intelligence Memorandum titled The Soviet Need for Credits may also be of interest to you. This paper is currently under revision, however, the information on gold sales and reserves will remain essentially the same.

Deputy Assistant Director
Research and Reports

Enclosures:

Attachment I
Attachment II

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